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George Fasano, Jr.

Senior Vice President & Assistant Treasurer

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December 9, 2005

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SC PUBLIC SERVICE
COMMISSION

Mr. Charles Terreni
Chief Clerk & Administrator
Public Service Commission of SC
Post Office Drawer 11649
Columbia, SC 29211

Dear Mr. Terreni:

In compliance with PSC Order 2005-365 in Docket No. 2005-6-G, enclosed please find the report on South Carolina Pipeline Corporation's hedging activities for the period 8/30/05 - 9/28/05.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,


George Fasano, Jr.

Enclosures as indicated

N:\Word\Hedge Activities PSC

Mark to Market Results
For the Hedging of October 2005 Volumes
8/30 - 9/28
Mark to Market vs. Average Market Price

Contract Settle 13.908

Date	Sales			Purchases			Daily Settle
	Contracts	Price	Mark to Market	Contracts	Price	Mark to Market	
1 08/30/05	-	-	\$0	-	-	\$0	11.659
2 08/31/05	-	-	\$0	-	-	\$0	11.472
3 09/01/05	-	-	\$0	-	-	\$0	11.757
4 09/02/05	-	-	\$0	-	-	\$0	11.691
5 09/06/05	-	-	\$0	-	-	\$0	11.657
6 09/07/05	-	-	\$0	-	-	\$0	11.201
7 09/08/05	-	-	\$0	-	-	\$0	11.347
8 09/09/05	-	-	\$0	-	-	\$0	11.263
9 09/12/05	-	-	\$0	-	-	\$0	11.031
10 09/13/05	-	-	\$0	-	-	\$0	10.763
11 09/14/05	-	-	\$0	-	-	\$0	11.166
12 09/15/05	-	-	\$0	-	-	\$0	11.336
13 09/16/05	-	-	\$0	-	-	\$0	11.144
14 09/19/05	-	-	\$0	-	-	\$0	12.663
15 09/20/05	-	-	\$0	-	-	\$0	12.492
16 09/21/05	-	-	\$0	-	-	\$0	12.594
17 09/22/05	-	-	\$0	-	-	\$0	12.790
18 09/23/05	-	-	\$0	-	-	\$0	12.324
	0		\$ -	0		\$ -	

Gain/(Loss) from futures transactions	\$ -
Gain/(Loss) from option transactions	\$ 1,604,000 **
Gain/(Loss) from financial transactions	<u>\$ 1,604,000</u>

21 09/26/05	0	0.000	\$0	0	0.000	\$0	12.440
22 09/27/05	0	0.000	\$0	0	0.000	\$0	12.656
23 09/28/05	0	0.000	\$0	0	0.000	\$0	13.908
	0		\$0	0		\$0	11.8740

Program Results

NYMEX Average Market Price	\$ 11.8740
Purchase Price Achieved per Normal Scenario	-
Difference	<u>11.8740</u>
Ratio of Contract in Normal Scenario to Total Contracts in Plan	-
Price Gain (Loss) per Normal Scenario	-
Adjustment for Contracts Purchased per Low-Price Scenario	-
Adjustment for Contracts Purchased per High-Price Scenario	<u>4.1352</u>
Total Price Gain (Loss)	<u>4.1352</u>
Contracts In Plan	26
Gain (Loss) vs Average Market Price	<u>\$ 1,075,160</u>

** - Options purchased as a result of high price-scenario

Purchased 8 call options x .680 premium x 10,000 mmbtu/contract =	\$ (54,400)
Purchased 10 call options x .645 premium x 10,000 mmbtu/contract =	\$ (64,500)
Purchased 8 call options x .680 premium x 10,000 mmbtu/contract =	\$ (54,400)
Proceeds received from exercise of calls	\$ 1,777,300

Net gain/(loss) from options transactions	<u>\$ 1,604,000</u>
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South Carolina Pipeline Corporation
Risk Management Program Adjustments
Through September 2006

	January	February	March	April	May	June	July	August	September	Total 2006
Commissions										
Software										
Subscriptions										
Data Feed										
	\$ -	\$ 2,096	\$ 1,714	\$ 2,184	\$ 2,427	\$ 1,136	\$ 1,105	\$ 1,564	\$ 458	\$ 12,684
	3,863	2,433	4,441	5,487	8,881	5,841	5,212	5,927	6,033	45,918
	4,500	4,500	4,500	-	9,000	-	9,000	4,500	4,500	40,500
	1,457	3,288	1,465	-	1,470	-	735	-	577	8,982
	9,820	12,317	12,120	7,671	19,778	6,777	16,052	11,991	11,588	108,084
Non Hedging Addition to Cost of Gas										
Hedging Additions(Subtractions)	-	1,704,650	1,677,700	1,800	453,800	730,400	208,800	(70,150)	(555,650)	4,152,150
Total Risk Management Program Adj.	\$ 9,820	\$ 1,716,967	\$ 1,689,820	\$ 9,471	\$ 473,578	\$ 737,177	\$ 225,652	\$ (58,159)	\$ (544,062)	\$ 4,260,244

Results since inception of program

	Aug-Dec 1996	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2006	Total
Commissions												
Software												
Subscriptions												
Data Feed												
	\$ 3,924	\$ 53,121	\$ 83,496	\$ 59,112	\$ 56,199	\$ 50,197	\$ 38,459	\$ 49,415	\$ 42,907	\$ 12,468	\$ 12,684	\$ 461,982
	4,215	9,547	8,847	8,412	8,412	17,063	29,176	21,782	12,082	25,549	45,918	191,003
	9,582	23,038	25,678	31,277	31,186	34,367	31,240	31,188	51,054	54,000	40,500	363,130
	2,081	5,296	6,429	5,305	3,575	4,200	4,235	4,413	5,568	6,104	8,982	56,178
	19,782	91,002	124,448	104,106	99,374	105,847	103,110	106,798	111,610	98,121	108,084	1,072,283
Non Hedging Addition to Cost of Gas												
Hedging Additions(Subtractions)	(284,800)	(3,722,050)	27,450	3,410,280	(838,620)	(4,136,410)	12,684,200	11,012,500	(14,781,610)	2,315,013	4,152,150	9,838,283
Total Risk Management Program Adj.	\$ (264,818)	\$ (3,631,048)	\$ 151,898	\$ 3,514,368	\$ (739,246)	\$ (4,030,563)	\$ 12,787,310	\$ 11,119,298	\$ (14,670,000)	\$ 2,413,134	\$ 4,260,244	\$ 10,910,576

South Carolina Pipeline Corporation
Futures Transactions and Additional Costs Effect on Cost of Gas
Through September 2005

Month	Yr	Cost of Gas Without Futures	Cost of Gas With Futures & Additional Costs	Addition to/ (Subtraction from) Cost of Gas
1995 Total		26,240,595	25,975,777	(264,818)
1996 Total		113,461,568	109,830,520	(3,631,048)
1997 Total		132,211,553	132,363,451	151,898
1998 Total		81,397,552	84,911,918	3,514,366
1999 Total		96,671,309	95,932,063	(739,246)
2000 Total		177,625,268	173,594,705	(4,030,563)
2001 Total		203,284,081	216,071,391	12,787,310
2002 Total		143,116,542	154,235,840	11,119,298
2003 Total		208,851,322	194,181,322	(14,670,000)
2004 Total		214,449,674	216,862,809	2,413,134
January	05	31,376,227	31,386,047	9,820
February	05	31,647,818	33,364,785	1,716,967
March	05	21,587,016	23,276,836	1,689,820
April	05	11,514,840	11,524,311	9,471
May	05	7,597,756	8,071,334	473,578
June	05	5,495,508	6,232,685	737,177
July	05	6,170,920	6,396,572	225,652
August	05	6,710,804	6,652,645	(58,159)
September	05	9,046,551	8,502,469	(544,082)
Total		\$1,528,456,904	\$1,539,367,481	\$ 10,910,576

	January	February	March	April	May	June	July	August	September	October	Total 2005
NYMEX Average Market Price	\$ 6.9684	\$ 6.1858	\$ 8.1464	\$ 6.9695	\$ 7.2353	\$ 6.5176	\$ 7.1467	\$ 7.4878	\$ 9.0995	\$ 11.8740	\$ -
Purchase Price Achieved per Normal Scenario	-	-	-	-	-	-	-	-	-	-	-
Difference	6.9684	6.1858	8.1464	6.9695	7.2353	6.5176	7.1467	7.4878	9.0995	11.8740	-
Ratio of Contracts in Normal Scenario to Total Contracts in 1											
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per Low-Price Scenario	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per High-Price Scenario	-	(0.8245)	(1.0528)	(0.3527)	(0.0168)	(0.2530)	(0.3405)	(0.0382)	1.5210	4.1352	-
Total Price Gain (Loss)	-	(0.8245)	(1.0528)	(0.3527)	(0.0168)	(0.2530)	(0.3405)	(0.0382)	1.5210	4.1352	-
Contracts in Plan	-	236	193	81	90	128	41	58	17	26	870
Gain (Loss) vs Average Market Price	\$ -	\$ (1,945,820)	\$ (2,032,045)	\$ (265,705)	\$ (15,243)	\$ (323,945)	\$ (139,802)	\$ (22,180)	\$ 269,571	\$ 1,075,190	\$ (3,450,714)

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South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through September 28, 2005

Contract Month	Type of Security	Date Purchased	Sales		Purchases		
			Number of Contracts	Price	Number of Contracts	Price	Total Dollars
November 2005	Call Options	05/05/05	-	\$ -	13	0.770	\$ 100,100
		06/02/05	-	\$ -	18	0.720	\$ 129,600
		06/07/05	-	\$ -	13	0.770	\$ 100,100
		-	-	\$ -	-	-	\$ -
		-	-	-	44	-	\$ 329,800
					Per Contract	Total Dollars	
Purchase price of call options					\$ 0.7495	\$ (329,800)	
Mark to market of outstanding call options					\$ 6.5443	\$ 2,879,500	
Funds received on sale of call options					\$ -	\$ -	
Total deferred gain/(loss)					\$ 5.7948	\$ 2,549,700	
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December 2005	Call Options	05/05/05	-	\$ -	28	0.878	\$ 245,840
		06/02/05	-	\$ -	38	0.870	\$ 330,600
		06/07/05	-	\$ -	28	0.905	\$ 253,400
		-	-	\$ -	-	-	\$ -
		-	-	-	94	-	\$ 829,840
					Per Contract	Total Dollars	
Purchase price of call options					\$ 0.8828	\$ (829,840)	
Mark to market of outstanding call options					\$ 6.5849	\$ 6,189,800	
Funds received on sale of call options					\$ -	\$ -	
Total deferred gain/(loss)					\$ 5.7021	\$ 5,359,960	
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January 2006	Call Options	06/02/05	-	\$ -	31	1.075	\$ 333,250
		06/07/05	-	\$ -	23	1.060	\$ 243,800
		-	-	\$ -	-	-	\$ -
		-	-	-	54	-	\$ 577,050
		-	-	-	-	-	-
					Per Contract	Total Dollars	
Purchase price of call options					\$ 1.0686	\$ (577,050)	
Mark to market of outstanding call options					\$ 6.4846	\$ 3,501,660	
Funds received on sale of call options					\$ -	\$ -	
Total deferred gain/(loss)					\$ 5.4159	\$ 2,924,610	